

# Downsizing the Community Sector

Changes in employment and services in the  
voluntary and community sector in Ireland,  
**2008-2012**

Irish Congress of Trade Unions  
Community Sector Committee



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**2012**



## *Executive summary and key judgements*

This report is an examination of the cumulative impact of the cuts in spending on the voluntary and community sector in Ireland over 2008-12, specifically examining their effect on employment. The voluntary and community sector had, at the start of the financial crisis in 2008, a value of €6.5bn, received about €1.89bn in state funding and employed 53,098 people (full-time equivalents).

From 2008-2012, government spending on current services fell -2.82%, our benchmark. Using the government's own figures from the budgets of 2008-2012, government funding for the voluntary and community sector has fallen by the following amounts:

Health services, the largest funder	- 4.5% to -29%
Voluntary social housing, the next largest	- 54%
National supports	-48%
Local Community Development Programme	- 35%
Initiatives against drugs	- 29%
Family support projects	- 17%
Dormant accounts	-87%

In response, voluntary and community organisations have sharply reduced their spending, their last options being the dismissal of staff and the closure of services. Such a dramatic fall in funding is estimated, based on a contraction in the order of 35%, to lead to a loss of employment in the voluntary and community sector of 11,150 jobs by end 2013 and that employment in the sector may be down to 36,638 by end 2015.

The voluntary and community sector works alongside public services, whose numbers have also been sharply reduced and are scheduled to fall by 37,500; and by the closure of state agencies valued by and important for the functioning of an effective voluntary and community sector. The Comprehensive Review of Expenditure holds out the prospect of further contraction in education, community employment, housing, mental health, disability and especially in services for the protection and welfare of children.

This study was complemented by a ground truth survey, which identified hugely increased pressure on voluntary and community organisations, the reduction and closure of services, staff reductions and disimprovements in terms and conditions for staff.



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## Introduction

Over the past two decades workers employed in the community and voluntary sector in Ireland have played a central role in responding to some of the most acute and challenging socioeconomic issues and in providing innovative solutions to apparently intractable problems, both at a local community level and in the national arena. Across the sector a diverse range of organisations have emerged in response to new needs and to develop and provide services and activities tailored to the requirements of an expanding population, particularly in the poorest and most disadvantaged communities.

The recent onset of the economic and fiscal crisis has greatly exacerbated the situation, resulting in an increased demand for the services and supports provide by the community and voluntary sector. However, rather than investing in these essential services in the face of a severe downturn, the present and previous government decided to significantly reduce funding for the sector which has resulted in major disruption, retrenchment, the loss of jobs and the curtailment of essential services to the most vulnerable individuals and families. This approach will have long term consequences for many communities.

All of the indications are that this process of retrenchment, which has impacted on the community and voluntary sector most unfairly and disproportionately, will continue unless a concerted and broad-based campaign is organised to highlight the damage being caused through the loss of local employment and vital community infrastructure; despite the urgent need to retain these services and capacity to address the acute problems emerging from the current severe and prolonged social and economic crisis. This report, after undertaking a robust analysis of changes that have occurred in employment and services in the sector from 2008 to 2012, is presented as evidence of the scale and impact of the funding reductions and restructuring imposed on the sector and also to highlight the consequences of this approach continuing through a period of extreme austerity.

The report shows that there are serious implications for the future of the sector and asserts that the targeting of the local community services for continuous reduction could be considered as extremely short-sighted and fundamentally flawed public policy, especially given the severe challenges facing Irish society through the imposition of prolonged austerity; in terms of concentrated poverty and increased hardship and in maintaining social cohesion. The report concludes with specific proposals for collective action. These are presented for consideration by the Trade Unions and workers and employers active in the sector and, it is hoped, will encourage a combined response.

The Community Sector Committee of the Irish Congress of Trade Unions was recently convened to reflect the significant increase of organisation and membership in the community and voluntary sector and to provide for improved cooperation between the main unions involved, IMPACT, SIPTU and UNITE. This report was commissioned by the Committee and we wish to thank all who have contributed to the undertaking, particularly Brian Harvey who produced the report and the three unions who provided the funding.

*- David Connolly, Chairperson ICTU Community Sector Committee.*





# 1 Context

Voluntary and community services are an essential feature of any modern, democratic, pluralist state, working together with public services for the welfare and well-being of all citizens, especially those who are most disadvantaged. Voluntary and community services in Ireland have a long history and can be traced to medical and welfare charities in the 18th century. They played an important role in the foundation of the independent Irish state in and the building up, over the 20th century, of its social infrastructure.

As well as being important for the development of social and allied services, voluntary and community organisations play an important role in civil society. This is the idea, developed in the 18th century by Alexis de Tocqueville and in the 20th by Vaclav Havel, that there should be an independent space in society, free from state institutions, where citizens should openly organise to express their views, develop opinions and assist each other with mutual services. Civil society, comprising voluntary and community organisations, offers opportunities for people to volunteer to assist others. Taken together, they build social capital, active citizenship, social inclusion and participation in democratic society. This role is recognized in our fundamental law: §18.7 of the Constitution, which refers to voluntary social activities; and in title II.8B of the Treaty of Lisbon which refers to the need for 'open, transparent and regular dialogue' of institutions with civil society.

Prior to 2008, the benchmark of this report, our best information was that:

- The estimated level of employment in the sector was 53,098 full-time equivalents;
- The value of the voluntary and community sector to the economy was €6.5bn, or between 3.52% of GDP and 3.97% of GNP;
- The annual level of state funding for the sector was in the order of €1.89bn;
- There were about 6,100 voluntary and community 'charitable' organisations;
- About 26% of citizens regularly took part in some form of voluntary activity;
- Three out of four citizens donated to voluntary and community organisations.<sup>1</sup>

Although it took the Irish state an unusually long time to develop a policy for the voluntary and community sector, it eventually emerged as *Supporting voluntary activity* (2001) which laid down the principle of the independence of the sector, announced the introduction of formal liaison units with the voluntary and community sector in each government department and undertook reforms in funding (multi-annual funding and the introduction of new funding streams to support the sector). The National Economic and Social Council's *The developmental welfare state* (2005) defined a key role for the voluntary and community sector in working with the state in building social and related services up to European norms. The voluntary and community sector was recognized through its involvement in social partnership from the mid-1990s, including the current agreement, *Toward 2016*; in the establishment of the National Economic and Social Forum, where it was represented; in the state accepting a role in the the development of social capital (National Economic and Social Forum: *Policy*

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<sup>1</sup> The definition of the voluntary and community sector is that used and explained in detail in Acheson, N *et al*: *Two paths, one purpose - voluntary action in Ireland, north and south* (Dublin, Institute for Public Administration, 2006). It covers groups working in the following areas: social policy, social welfare and allied health services; unemployment; women; ethnic minorities (e.g. Travellers, new communities); community development; informal and adult education; housing and homelessness; development; children and youth; older people; intellectual and physical disability; human rights; arts and culture; the environment and climate change; sports. It does not include formal education (schools/colleges), or large institutional health providers, such services normally being carried out by the state in other European countries. Some fresh information is now provided at Irish Non Profits (<http://beta.irishnonprofits.ie/>). For example, the number of 'charitable' organisations is now in the order of 7,980.

*implications of social capital*, §28, 2003); and in the work of the Task Force on Active Citizenship (2007). In its *National Reform Programme for Ireland under the EU2020 Strategy*, the government re-stated its commitment to achieving Europe's social targets in the areas of employment, social inclusion and education, social challenges that could only be met working with an effective voluntary and community sector.

By the opening of the 21st century, Ireland had a well-established voluntary and community sector, fulfilling an important role in the provision of social and related services; a developed concept of its role in civil society; and recognition by the state of its importance. Between them, Ireland fitted well in the mainstream of contemporary European thinking of a modern, enlightened, progressive, democratic state.

## 2 Changes over 2008-2012

The financial collapse of 2008-11 brought sharp and ultimately profound changes to the voluntary and community sector in Ireland. Its role, function and performance in modern Irish society was gravely undermined by a series of unexpected actions by the state.

The changes may be dated to 8th July 2008 with the issuing of government circular SS180/20/10/0964B. This required government departments to achieve savings in public spending of €400m in 2008 and €1bn in 2009 through the reduction, merger or abolition of state agencies, a list of 41 being subsequently identified. In September 2008, the country's financial institutions collapsed and the state guarantee thereto left a legacy of debt in the Irish economy up to €90bn which will take an untold time to discharge.<sup>2</sup> The collapse of the banks, followed by that of the construction industry, led to a fall in state revenues from €48bn annually to €30bn, prompting sharp but differential reductions in state spending. The acceptance by the government of banker and developer debt as a state and taxpayer responsibility provoked a sovereign debt crisis and in November 2010 the government agreed to a programme of up to €85bn loans from the International Monetary Fund (IMF), the European Central Bank (ECB) and other lenders.<sup>3</sup> The agreement specified targets for the payment of loans and the restoration of the public finances through spending reductions and revenue increases, the details being primarily the decision of the Irish government.

This analysis is interested foremost in the impact of the financial crisis on voluntary and community organisations: their services and clients, employment and role. A table will be compiled to measure, as precisely as possible, the extent of the reduction of government funding across the different parts of the voluntary and community sector. Impacts are reviewed under a number of headings: reductions in government funding (2.1), the closure of state agencies (2.2), and the impact on the voluntary and community sector (2.3). Conclusions are drawn (2.4), specifically addressing the impact on employment in the voluntary and community sector.

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<sup>2</sup> The term 'financial collapse' is probably the most accurate to define the events from the run on Anglo-Irish Bank (17th March 2008) to the agreement with the IMF (28th November 2010), in the course of which most financial institutions were brought into state ownership to ensure their survival. Although the economy contracted sharply, the term 'collapse' would be an overstatement. At the other lexical extreme, the understated term 'recession' is avoided in this text, for a recession is a regular, routine feature of the capitalist economic cycle, being defined as two calendar quarters of lack of economic growth.

<sup>3</sup> For convenience, the agreement will be referred to in this text by the principal of three lenders, the IMF, while recognising that there are a number of other parties thereto (sometimes also called 'the troika').

## 2.1 Government funding

First, this research looks at the broad picture of government funding for voluntary and community organisations. Government budget lines, as presented in the public service estimates, do not usually make sharp distinctions between those budget lines that fund state bodies and those that fund voluntary and community organisations.

Nevertheless, it is possible to isolate budget lines that are the principal funders of voluntary and community organisations. First, though, it is important to set the broad context, which is the overall level of government funding for services over the period under study, 2008-2012 (table 1), with 2008 as our baseline year.

**Table 1: Government funding for services 2008-2012**

	2008	2009	2010	2011	2012
Current spending	€53.39bn	€56.58bn	€54.94bn	€52.84bn	€51.88bn
Change		+6%	-3.16%	-3.2%	-2.2%

As may be seen, government spending actually rose during the first year and then fell in each of the subsequent years (overall reduction: -2.82%). If the cuts were evenly distributed, we would expect the reductions on budgets for voluntary and community organisations to be this order of magnitude. Table 2 looks first at the reductions in spending in those budget lines that most affect the voluntary and community sector.

**Table 2: Changes in funding for community development**

	2008	2009	2010	2011	2012
Supports vol & cty	€18.6m	€15.6m -16%	€14m -10%	€10m -29%	N / A
LCDP	€84.7m	€74.6m -12%	€67.5m -10%	€63.5m - 6%	€55.3m -12.6%*
Drugs initiative	€44.3m	€40.6m -8%	€36.3m -11%	€33.8m -7%	€31.4m -7%
Family Support Agency	€36m	€35.7m -1%	€32.6m -9%	€31.8m -5%	€29.8m -6%
RAPID	€9.7m	€7.5m -23%	€5.7m -24%	€3.2m -44%	N / A
CLAR	€24.1m	€16.7m -30%	€8m -53%	€0.5m -94%	N / A
Community, social inclusion of which:	€10.2m	€6.5m	€5.7m -13%	€2.9m -47%	N / A
Local V&C fora	€1.4m	€1.3m -7%	N / A	€0.587m	N / A
C'ty services prog.	€55m	€51m -8%	€46m -9%	€47m +2%	€45m -4%

*Note: the % figures are those given in the Public Service Estimates. In some cases these will show an increase or decrease which appears to be at odds with the previous year's figure. This is normally explained by the previous year's budget not having been fully spent, so the increase is on the previous year's out turn rather than allocation. Normally these differences are statistically minor, but in some years and in some fields (e.g. health) there can be substantial variations. \* Note this figure is inferred from the Comprehensive Review of Expenditure (CRE).*

This shows some dramatic falls in funding for voluntary and community organisations. The national support scheme has fallen from €18.6m to €10m, down -48%; the Local and Community Development Programme (LCDP) is down from €84.7m to €55.3m, down -35%; the drugs initiative from €44.3m to €31.4m, down -29%; the Community Services Programme (formerly the social economy programme) down -18%; the Family Support Agency, which funds the Family Resource Centres, has fallen from €36m to €29.8m, down -17%. Over 2008-2011, the RAPID programme in disadvantaged urban areas is down from €9.7m to €3.2m, -67%, while the CLAR programme in disadvantaged rural areas, €24.1m at the start has been wound down. Funding for community and social inclusion has fallen from €10.2m to €2.9m (-72%) and within that, funding for community and voluntary fora has fallen from €1.4m to €587,000, down 58%. Although there is little consistency between these reductions, they are quite different from the general fall in government spending of -2.8%.

Table 3 gives details of the three largest funders of voluntary and community organisations: health, housing and development. The Health Service Executive (HSE) is the largest, principally those delivering social services. HSE accounting does not specifically identify funding for voluntary organisations separately, but instead provides an omnibus listing for (1) the large budget for 'voluntary hospitals and organisations' (the vast bulk of that head is taken up by the large institutional providers) and (2) the HSE regions, which fund voluntary and community groups. Similarly, the global social housing budget does not distinguish between municipal housing provided by the local authorities and housing provided by voluntary and cooperative housing associations (but some other figures do, table 5). As a result, these figures provide only a broad indication. In the case of development aid, though, this funding is almost entirely provided by voluntary development organisations.

**Table 3: Large-scale funders of voluntary organisations**

	2008	2009	2010	2011	2012
HSE, of which	€12.3bn	€12.8bn	€10.5bn	€12.4bn	€12.1bn
<i>Voluntary hospitals</i>	€2.2bn (2.6bn)*	€2.3bn	€2.5bn	€2.4bn	€2.1bn
<i>HSE regions</i>	€9.2bn	€9.4bn	€7.7bn	€7.2bn	€6.6bn
Social housing	€1.6bn	€1.3bn	€829m	€529m	N/A
Development aid <i>*Out-turn figure</i>	€529m	€410m	€386m	€379m	N/A

In health, funding for voluntary and community organisations must be calculated within a fork of allocations.

	2008	2012	Change
Voluntary hospitals, organisations			
<i>Estimates as baseline</i>	€2.2bn	€2.1bn	- 4.5%
<i>Out-turn as baseline</i>	€2.6bn	€2.1bn	- 19%
HSE regions	€9.2bn	€6.6bn	- 29%

Dealing with the first heading, at the risk of being technical, an important issue is where the 2008 baseline is set, be it in the original estimates (€2.2bn) or the actual outturn that year (€2.6bn), because this gives us quite a wide spread in the proportionate reduction, between -4.5% and -19%. Funding for HSE regions is down -29%. Social housing has fallen -70% (the division between municipal and voluntary housing is not given), while development aid is down -29%.

Disaggregating health spending between statutory and voluntary is a difficult exercise, as it does not lend itself readily to such an analysis. HSE national service plans, though, are helpful, for they provide detail of allocations of a number of thematic areas where voluntary and community organisations are important deliverers of services: children, mental health, disability, older people, palliative care and social inclusion. Details of funding changes over 2010-2011 are provided in table 4 and the voluntary proportion therein where available.

**Table 4: Changes in health allocations affecting voluntary and community organisations, 2010-2011**

	2010	2011
Children and families	€601m	€587m (-2.3%)
Mental health - of which voluntary	€721m €15m	€708m (-1.8%) €14m (-6.7%)
Disability - of which voluntary	€1,582m €411m	€1,554m (-1.8%) €391m (-4.8%)
Older people - of which voluntary	€1,369m €39m	€1,337m (-2.3%) €37m (-5.1%)
Palliative care - of which voluntary	€76m €29m	€74m (-2.6%) €28m (-3.4%)
Social inclusion	€120m	€117m (-2.5%)

Source: HSE: National Service Plan, 2011

These show a relatively modest fall in HSE funding under these headings, in the range -1.8% to -2.6%. Perhaps the most important finding, though, is that the fall in voluntary services is universally higher, in the range -3.4% to -6.7%, clearly illustrating that they are more severely affected.

Returning to social housing, we do have information on the spending on that part of the social housing budget which goes to voluntary organisations. As may be seen, two spending heads maintained, or slightly increased their funding (homelessness and the Capital Loans and Subsidy Scheme), but other areas were reduced:

**Table 5: Social housing and related allocations primarily benefitting voluntary and community organisations**

Head	2008	2009	2010	2011	2012	Change
Housing (Capital Assistance Scheme)	€156m	€158m	€113m	€90m	€70.7m	-54.7%
Traveller accommodation	€42.2m	€42.2m	€41.4m	€21.4m		-39%
Homeless accommodation	€53.2m	€56m	€56m	€53.4m		+0.4%
Capital loan and subsidy scheme*	€61.9m	€66.6m	€64.4m	€71.2m		+15%
Research and advice	€3m	€2.2m	€1.7m	€1m		-66%
Local drugs task force	€0.5m	€0.46m	€0.46m	€0.4m		-20%
Housing: communal facilities	€2.9m	€2.5m	€3.5m	€2m		-31%

*Revised estimates; Dail Eireann, Debates, 2nd November 2011, 441 (CAS). \*Terminated 2009: these figures represent outstanding loan payments.*

As may be seen, the main social housing budget for voluntary and community organisations has fallen -54.7% over the period, although the much smaller capital loan and subsidy scheme has risen marginally. Over 2008-11, accommodation for the homeless was maintained, a specific commitment by the outgoing government. Traveller accommodation is down -39%, housing communal facilities -31% and the department's contribution to the work of the local drugs task forces is down -20%. There is a small 'research and advice' heading, down -66%, the largest decrease. This is important to us, for it is used to grant-aid key NGOs in the area, such as Threshold, the Irish Council for Social Housing and the National Association of Building Cooperatives. Table 6 gives details of grants in the youth, sports and arts areas.

**Table 6: Voluntary organisations in the arts, sport and youth, 2008-2011**

	2008	2009	2010	2011
Youth organisations	€8.9m	€8.8m -1%	€8m -9%	€8.7m +9%
Youth projects	€43.6m	€39.3m -1%	€38.6m -2%	€35.8m -7%
Sports grants	€58.1m	€56m -4%	€48m -14%	€28m -42%
Sports Council	€57.2m	€51.7m -10%	€49.8m -4%	€46.9m -5%
Arts Council	€81.6m	€73.4m -10%	€69.1m -6%	€65.1m -5%

This table shows some sharp reductions, especially in sport, from €58.1m to €28m in the case of sports grants (-52%), less in the case of the Sports Council, which is down from €57.2m to €46.9m (-18%). The Arts Council grant is down from €81.6m to €65.1m, or -20%. Disadvantaged youth projects have seen their budget reduced from



€43.6m to €35.8m, or -18%, but a modest reduction in the case of youth organisations (-2%). Specific 2012 figures are not available, but there will be an overall reduction in sports and recreation of 9% and arts, culture and film of 11%. Last in this series, table 7 gives a table of justice and equality-related services, which cover some key areas of activity for the voluntary and community sector with the most vulnerable.

**Table 7: Voluntary organisations funded in the area of justice and equality**

	2008	2009	2010	2011	2012
Probation: services	€16.7m	€18m +8%	€14.3m -15%	€11.5m +7%	€11.1m+12%*
Office Minister for Integration	€6.7m	€7.7m +15%	€5.5m +6%	€4.2m -22%	€2.5m -31%
Disability projects	€2.7m	€3.1m +18%	€1.9m -3%	€0.187m - 60%	0 -100%
COSC violence against women	€3.1m	€2.7m -13%	€2.7m -	€2.4m +18%	€2m +9%*
Funding women's organisations	€0.585m	€0.558m -5%	€0.558m	€0.537m -4%	€0.35m -35%

\* These increases are accounted for by an underspend the previous year. The absolute amounts are down.

Here, we can see that there has been a fall in funding for probation services, where projects are mainly delivered by voluntary and community organisations, from €16.7m to €11.1m (-36%). The budget for the Office of the Minister for Integration, which has funded projects with the new communities, is down from €6.7m to €2.5m (-63%), while Cosc, which includes funding for projects against violence against women are down from €3.1m to €2m (-23%). Funding for women's organisations is down sharply, from €585,000 to €350,000 (-40%), while disability projects are extinguished. 2012 saw a reduction, over the previous year, of small but important budget lines: initiatives for Travellers (-7%), disability awareness (-72%) and gender equality (-17%).

Finally, in this section we take a look at dormant accounts, which have been an important small-scale funder of voluntary and community organisations. Table 8 outlines dormant accounts allocations for current services over 2008-2012:

**Table 8: Dormant account current allocations, 2008 - 2012**

	2008	2009	2010	2011	2012
Education	€4m	€4m	€2m	€1.5m	€1.1m
HSE	€3m	€3m	€2.3m	€0.9m	0
Prisons	€0.75m	€0.5m	€0.75m	€0.75m	€0.75m
Justice	€0.5m	€0.5m	€0.5m	€0.176m	€0.25m
Social & family	€1m	€1m	0	0	0
Children	€3m	€6.15m	€5.34m	€4.374m	0
CRAG	€2.5m	€5.5m	€2.5m	€1.5m	0
EHLG	€0.5m	€0.5m	€1m	€0.282m	0
Sport	€0.25m	€1.35m	€0.395m	0	0
RAPID	€0.897m	€0.897m	€0.31m	0	0
Rural Social Scheme	€16m	0	0	0	0
Totals	€32.39m	€23.4m	€15.1m	€9.5m	€2.1m

Dormant accounts have therefore fallen from €32m to a little over €2.1m. If we take out the somewhat anomalous inclusion of the Rural Social Scheme in the first year (€16m), this gives us a reduction from €16.4m to €2.1m, or 87%.

The reductions are summarised in the following table, table 9. Those targeted at the geographically most deprived areas are *italicised*.

**Table 9: Four year summary of cuts in budget lines principally used to fund voluntary and community organisations over 2008-2012.**

Heading	%
Government spending	-2.8%
<u>Voluntary and community sector funding</u>	
Health	-4.5 < -29%
Voluntary social housing	-55%
Development	-29%*
Supports voluntary & community	-48%*
<i>LCDP</i>	-35%
<i>Drugs initiative</i>	-29%
<i>Family Support Agency</i>	-17%
<i>RAPID</i>	-67%*
<i>CLAR</i>	-98%*
Community and social inclusion:	-72%*
Community voluntary fora	-58%*
Development aid	-28%*
Youth organisations	-2%*
Youth projects	-18%*
Sports grants	-18%*
Sports Council	-52%*
Arts Council	-20%*
Probation services	-36%
Office Minister for Integration	-63%
Disability projects	-100%
COSC violence against women	-23%
Funding women's organisations	-40%

\* 2008-2011 only, 2012 figures not yet available.

There are some striking features about these figures. First is their lack of coherence. The government appears to have been selective, with some suffering substantial cuts, but others much less. Second, this observation notwithstanding, very sharp reductions are evident in national supports for the voluntary and community sector (-48%) and community development (-35%) as well as key community projects (drugs, RAPID, with CLAR closed). Related to that, the italicised set highlights the substantial reductions in those geographical areas known to be most disadvantaged. If at any stage the government endeavoured to protect those groups in poverty or otherwise at social risk, this is not statistically evident. Third, at the risk of stating the obvious, none of these cuts are in line with the overall reduction in government spending of -2.8%.

## 2.2 The closing of state agencies

The closing and reduction of state agencies in the past five years had an immediate impact on some voluntary and community organisations and is likely to have, over time, a profound one. There are several reasons why these agencies were important:

- In the first instance, several were funders, albeit in some cases minor but nonetheless valued funders of voluntary and community organisations;
- Second, they were important instruments in the state's delivery of its policies for social inclusion and community development;
- Third, they acted as champions for both social policy and the concerns of voluntary and community organisations within public administration and the policy process.

The memorandum of 2008 proposed the disbandment, abolition, merger, inclusion or annexation of 41 agencies. All but a few were in the social policy field, while other realms of policy, although there were abundant state agencies therein, were relatively unaffected. This was the first of three waves. *Public service reform* (2011), listed a second round of 48 agencies for rationalisation and listed a further 46 for review, a total of 135. Among the social policy agencies to be abolished in 2012 are the Library Council, Comhar, the Dormant Accounts Board and the Irish Research Council for the Humanities and Social Science, with question marks raised about the nature of the merger of others (Equality Authority, Human Rights Commission). Among those selected for critical review in 2012 are the National Economic and Social Council, the National Education and Welfare Board, the Mental Health Commission and prison visiting committees. Table 10 lists the state agencies concerned, with the imputed annual savings and staff reductions, where known.

**Table 10: state agencies in social policy field disbanded (or scheduled)**

Agency	Saving	Staff reductions FTE*
National Crime Council	€394,000	N/A
National Consultative Committee Racism & Interculturalism	€628,000	N/A
Education Disadvantage Committee	€100,000	N/A
Centre for Early Childhood Development & Education	€830,000	6
National Council on Ageing and Older People	€1.26m	10
Women's Health Council	€155,000	2
Combat Poverty Agency	€2.7m	11.4
Children Acts Advisory Board	-	-
Crisis Pregnancy Agency	-	-
Affordable Homes Partnership	-	-
Centre for Housing Research	-	-
Homeless Agency	-	-
National Economic and Social Forum	-	-
Office for Active Citizenship	-	-
Library Council		14.9
Comhar	€390,000	-
	€6.457m	44.3

Source: *Dail Eireann, Debates*, 20th January 2011, 317; 11th October 2011, 318-9; 20th October 2011, 672; 25th October 2011, 1004. \*Full Time Equivalent (where known).

In addition, several state agencies associated with the work of voluntary and community groups experienced significantly reduced budgets. Two examples are the Irish Human Rights Commission and the Equality Authority. Funding for the Irish Human Rights Commission fell from €2.3m in 2008 to €1.6m in 2009 and to €1.5m in 2010, down - 35% overall. Funding for the Equality Authority fell from €5.5m in 2008 to €3.3m in 2009 and €3m in 2010, down - 45% overall. In autumn 2011, the government announced the merger of these two agencies.

The funding impact of these changes was felt first. In the 1990s and into the 2000s, voluntary and community organisations were in a position to go to a broad range of agencies and departments for funding (for example, Combat Poverty Agency had several distinct grant schemes). By the time of the period under review, many of them had become concentrated on just one fund, the Department of Community, Rural and Gaeltacht Affairs *Scheme to support national voluntary and community organisations*. This scheme, originally intended to support voluntary and community sector infrastructure, now became the sole opportunity for funding for a range of organisations formerly funded by now-disbanded state agencies, including a large number of bodies traditionally funded by the Department of Health. Organisations unsuccessful in this how highly competitive fund had few other funding opportunities open to them.

Returning to the table, the actual economic benefit to the exchequer of the closures was quite modest, just over €6m and 44 posts eliminated. In one case, gains were outweighed by waste, for the state was contractually obliged to pay the lease on the Combat Poverty Agency's empty, vacated building long after it was closed down.

The state's focus on social policy agencies is quite evident in table 10, for they reduced the ability of the state to carry out its work in the critical areas of poverty, children, education, racism and inter-culturalism, housing and homelessness. The closure of social policy agencies had the cumulative effect of excluding social policy values and considerations in general and voluntary and community organisations in particular from the work of government and public administration. The abolition of the Office for Active Citizenship and the National Economic and Social Forum struck at the participation of civil society and voluntary and community organisations. At the same time, the state established three new economic agencies instead: NAMA, the Fiscal Advisory Council and NewERA, none with civil society participation.

The closure of state agencies is set in the context of a continued reduction in public service numbers. The *Public sector reform plan* (2011) outlines a reduction in public sector numbers from 320,000 in 2008 to 282,500 by 2015, down 37,500.

The 2010 report *Analysis of the implications of the 2010 budget for the voluntary and community sector* specifically examined loss of employment in the voluntary and community sector, starting with the 2008 baseline employment figure of 53,098. Using a formula derived from studies of the voluntary and community sector in Northern Ireland, it estimated that the funding loss to the sector was in the order of 15%, giving us a projected loss of employment of 4,778, or almost 5,000 by end 2011.<sup>4</sup> This figure also includes a time lag so as to give time for reduced funding to translate into the actual loss of employment.

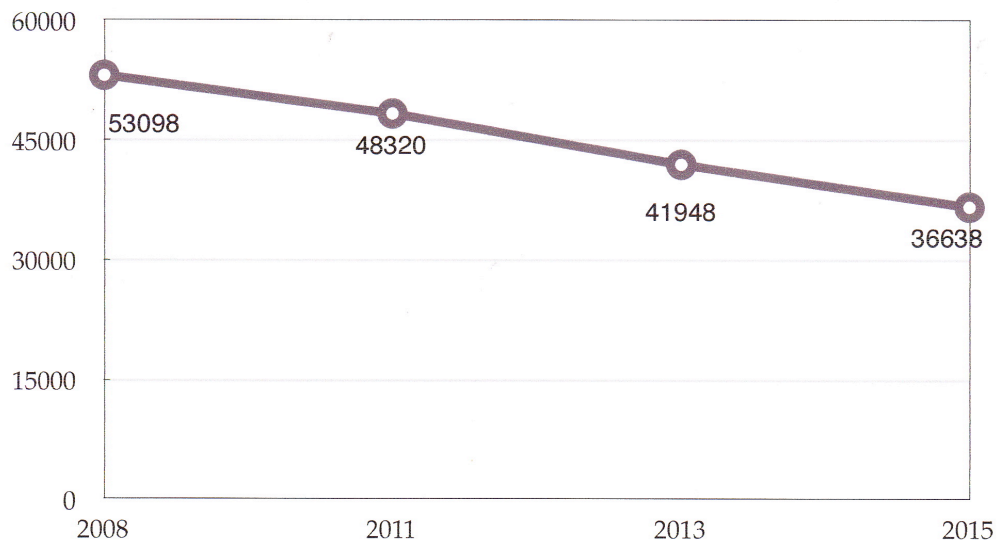
As may be seen from table 9, making a fresh estimate is a hazardous exercise. First, the table showed that far from imposing across-the-board cuts, the reductions in funding for voluntary and community organisations crossed a wide range. Second, there are large funding areas where government estimates do not enable us to precisely extract the voluntary and community component of funding (e.g. health). Third, there are no information systems that will give us a reliable national picture of the fall in voluntary donations and other non-governmental funding.

Nevertheless, it should be possible to select an identifiable indicator. If we look at table 9, the Local and Community Development Programme offers us one, for it is a substantial programme, still worth €55.3m, showing a -35% reduction in funding over the full four-year period 2008 to end 2012, a clear indicator of the degree of funding reduction decided by government. Whilst it is true that many funding lines have endured much higher cuts (e.g. national supports, voluntary and community, -48%), these must be balanced against cuts that are smaller in the HSE. This figure offers us a conservative and best rule-of-thumb guidance. A 35% contraction in funding gives us an employment loss in the order of 21%, or 11,150 people by end 2013, reducing employment in the voluntary and community sector from 53,098 to 41,948. Projecting this rate of employment loss forward into 2015, with a further 10% reduction, this would give us a voluntary and community sector with employment in the order of 36,638 by end 2015, as illustrated in the chart.

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<sup>4</sup> Systems for measuring the size of the voluntary and community sector in Northern Ireland are long-established, sophisticated and accurate, taking the form of *State of the sector* reports published by the Northern Ireland Council for Voluntary Action. In the 2000s, these reports studied how cuts in the sector arising from the reduction in European funding coupled with a squeeze on domestic funding led to a fall in employment. A fall in funding of x% does not lead to a fall in staffing of x%, because voluntary organisations universally cut non-staff costs first. Instead, the actual outcome is that a fall in funding, x%, leads to an eventual fall in staffing of 60% of x and that is the formula used here.

Employment in voluntary and community sector, 2008-2015p



## 2.3 Summary and conclusions

In summary, the financial crisis of 2008 led to dramatic changes in the situation of voluntary and community organisations. Principal of these were:

- Sharp reductions in funding across those programmes and funding lines most used by voluntary and community organisations, modest in some cases but extreme in many others and some even eliminated;
- An arbitrary and often incoherent pattern of cuts, whose differential impact was neither explained nor justified by government. Despite government claims that vulnerable groups would be protected, there is no evidence to support such a contention. To the contrary, the most disadvantaged geographical areas and target groups appear to have suffered at least as much, arguably more so.
- The elimination of a substantial number of state agencies concerned with social policy. The financial and payroll benefit to the state was small, certainly in comparison to their loss (table 10). The main effect were to eliminate small funding lines for voluntary and community organisations, but, more important in the medium to long term, to remove champions of social policy from the decision-making cycle in public administration.

These changes contrasted with the very most reduction in government funding over 2008-12 of only -2.8% and the creation of new agencies in the economic field. The decision, renewed by repeated governments, that social policy in general and the voluntary and community sector in particular should bear a disproportionate burden during the financial readjustment will pose a challenge for future historians to explain and interpret. The overall impact has been a contraction of the voluntary and community sector in the order of -35% by end 2013, with a reduction in staffing of over 11,000 people. Such a contraction was unmatched in any other European country. In an illuminating illustration of just how far Ireland had moved outside the mainstream of European social policy, the prime minister of Slovakia, Iveta Radičová, argued that voluntary and community organisations should be the 'driving force' of national social policy.<sup>5</sup> In Ireland, by the same time, their influence had begun to shrink to the inconsequential.

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<sup>5</sup> Fila, Lukáš: *Slovakia's Havel*. *European Voice*, 26th May 2011.





### **3 Impact on voluntary and community organisations**

Next, the study looks at the actual impact on voluntary and community organisations, starting with the general impact (3.1). Second, interviews and surveys are used to tell the experience of voluntary and community organisations in their own words (3.2). Third, conclusions are drawn (3.3).

#### **3.1 General impact**

The impact of the financial crisis on voluntary and community organisations was three-fold:

- First, with widening and deepening immiseration arising from unemployment and welfare cuts, there was much increased demand on their services;
- Second, as discretionary funding for citizens fell, so did public donations;
- Third, they were obliged to downsize their own organisations.

Taking each in turn, voluntary organisations faced increased demand, notably for cash, in-kind assistance, food services and food parcels, driven by increased debt, mortgage, payment and utility arrears. Some examples are given. Focus Point, which primarily assists younger homeless people, reported an increase in demand of 18% in 2010. Crosscare reported people calling for basic foodstuffs, like bread, tea and milk for the first time in many years and an increase of 40% in the demand for its homeless services in 2010. Demands on the Society of St Vincent de Paul rose 50% in 2010. Merchants Quay, Dublin reported an increase in meals provided for homeless people of 26% in 2010. Partnerships, who are tasked to work with unemployed people, have inevitably seen a dramatic increase in callers due to the rise in unemployment from 4% to 14%. Northside Dublin Partnership, for example, was working to a local live register of 4,772 in 2008, the figures rising to 10,708 by early 2011, up +124%. Almost half their clients are now long-term unemployed, who require more intensive levels of support.

Second, voluntary organisations reported a fall in giving to them and here, some examples are given. Public sector pay cuts have been in the order of 5% to 8% each year for 2009-2010, more reported in the private sector. The 2011 budget alone is estimated, through increased taxes and charges, to have reduced personal incomes by between 6% and 10%. With a reduction in personal disposable income over 2008-2011 in the order of 15% to 19%, it is little surprise that donations to charities have fallen. Donations to Barnardos fell -20% in 2009, Vincent de Paul between -30% and -50%, the Ireland Funds down from \$23m to \$7m (-70%). Even the ISPCC, a legendary fundraiser, was down. Dublin Simon Community reported in summer 2011 that donations were -38% for the previous year. Age Action Ireland reported that donations fell -35% in 2010.

Next, we measure the effect on organisations themselves. Voluntary and community organisations found themselves caught in a ‘perfect storm’ of sharp and disproportionate cuts in state funding, including the abolition of agencies that used to fund them, forcing them to apply for funding from a rapidly shrinking pool of funds, increased demand and reduced donations.

Voluntary and community organisations responded in a number of different ways. Generally these changes were introduced in phases. Unlike government cuts, which tended to focus on reducing staff, voluntary and community organisations regard their permanent staff as their most valued asset and tend to put staff loss as the second last option to be considered, before closing services. Human resources are often the largest single element of any organisation’s funding, typically 60% to 80%, so this is quite a challenge. Generally, this phased response has taken the form of:

- Reduced expenses within organisations (e.g. printing, travel);
- Reductions in non-permanent staff (e.g. temporary, part-time, freelance);
- Reductions in pay and conditions. This normally takes the form of:
  - Pay cuts, generally matching those of the public sector;
  - Reduced working, a 3-day week being the norm;
  - Stop in pensions contributions;
  - Compulsory unpaid leave;
- Redundancies;
- Closure of individual services and ultimately either organisational closure or the organisation being put on a care-and-maintenance basis.

Many of these changes tend to be invisible and are generally not formally recorded in annual reports (e.g. non-renewal of temporary contracts rarely merit mention). Few organisations have actually documented this process, but an exception is Pobal, an intermediary organisation managing state programmes well known to the voluntary and community sector. Its experience is illustrative of how one large organisation responded to the cutbacks. Over 2008-10, Pobal reduced staff from 280 to 179 through concluding but not renewing long-term contracts, a recruitment freeze and redundancy programme (-36%). Pay cuts were in the range 5%-16%. Non-pay costs were reduced -22%.<sup>6</sup>

The number of organisations that have actually closed is quite small. There are reports, though, of the closure of afterschools, while Age Action Ireland reported closing two shops.<sup>7</sup> The Community Workers Cooperative, which was unsuccessful in its application to the in 2011 *Scheme to support national voluntary and community organisations*, closed its office and made its staff redundant shortly thereafter.

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<sup>6</sup> Pobal: *Pobal briefing*. Dublin, author, 2011.

<sup>7</sup> QDOSS: *Pre-budget submission 2011*. Dublin, author, 2010.

## 3.2 The experience of voluntary and community organisations

Indications of the impact of these changes were supplied by members working in local and community development contacted in the course of this research and these are quoted here. Using a standard template of questions, a number of organisations surveyed their members to obtain 'ground truth' (see standard note used, annexe) and this is what they reported. Some of their comments have, for sake of brevity, been summarised or paraphrased, while retaining their meaning (*in italics* thus). These impacts are divided into four: increased pressure on services (3.2.1); the reduction or closing of services (3.2.2); staff reductions (3.2.3) and changes in terms and conditions (3.2.4). Some of these categories overlap, but between them they paint a picture of the egregious situation of the voluntary and community sector in Ireland today.

### 3.2.1 Increased pressure on services

All organisations report increased pressure on their services, especially those working with the unemployed, like this one:

*By the end of 2010, our numbers were up 60% to 65% compared to before the financial crisis, but by the end of 2011 it was 90%. We used to give each long-term unemployed person an hour of interview and support, but now it's much less. We are more inclined to give people something to read rather than explain things. Newly unemployed people we can give only 20mins each. We are cheating them of the quality service they are entitled to and they know it too, though they are patient with us, see our stress levels and understand. Then conditionality came in in January 2011 and we had to confirm that unemployed people had 're-engaged' with us. We got no extra resources to do this and even had to provide our own stamper for the new forms! Now we are like a social welfare office stamping forms and putting people on courses they don't want to go on to confirm that they have 're-engaged with the labour market'.*

Most are not able to provide the kind of help that they would like:

*There is an increase in the number of long-term unemployed and newly redundant coming in. We have some soft supports for them, like accounting, marketing and legal advice, but they are under funded. There is a huge problem for clients getting matching funding for grants or loans from the credit unions or banks. Individuals are referred to the Department of Social Protection for supports, but it is rarely that they get them. Our budget now has to be shared with two other local offices.*

Some are quite small services, but put under extraordinary pressure:

*The needs of our clients have escalated beyond our current skills, especially in more complex issues in social welfare, employment and housing, but we haven't the capacity to deal with them. There is only a part-time service, 17.5hr a week for two centres and the outreach service is down to only 2hrs a fortnight.*

One partnership reported this:

*People are flying in. Government requires and expects us to carry out more and more programmes, increase outputs and do this on the same level of staff of several years ago. 'Do more with less' is all very well, but we are really struggling.*

This part of the youth service has to meet these rising needs with its budget down a quarter and its staffing down 60%:

*Seasonal and part-time work are gone, so young people are flooding in to us looking for things to do. If we can't provide a service, there is the risk of anti-social behaviour, so it's a false economy for society. But our budget is down almost a quarter in four years. One of our projects had ten staff, but now it has only four, making it ever more difficult to provide a service during evenings, weekends or unsocial hours.*

The pressures of these increased demands were compounded by ever increased demands for statistical returns from their funder. This from a project against drugs:

*We are seeing massively increased numbers of clients while we are being pressured by funding agencies to prove our worth by providing stats that require administration hours that we don't have because of the numbers attending frontline services. People are stressed, using more drugs and using them more harmfully.*

One Dublin community project reported how people who once used to help the Society of St Vincent de Paul were now appealing for help from charities in turn:

*There has been a significant increase in people coming for help and support, many being the hidden poor would who cannot pay mortgages and put food on the table. We have noticed many saying that they used to give to the Society of St Vincent de Paul, but now they need help.*

An indication of the subtle, indirect but real pressures from the financial collapse came this women's group:

*More women are coming looking for support around domestic violence. Poverty and unemployment are risk factors for domestic violence and make it more difficult for women to leave violent situations.*

### **3.2.2 Closing or reducing services**

As noted earlier, voluntary and community organisations avoid laying off staff and closing services as long as they possibly can. This has become more and more difficult to do. The accumulated effects on one youth service were detailed here:

*Our budget was down -10% in 2010 and -12% in 2011. We have been told to brace ourselves for cuts in the range 5% to 15% in 2012. Already we have decided that from 1st January 2012 we will close two part-time posts and that all staff will go on a 3-day week. The outdoor education centre will be on a 3 day week two. Staff will be paid a month in arrears, rather than a week. We reduced our food budget for hungry children in the after schools from €15,000 to €9,000.*

Although the government has insisted that front-line services must be protected, the record shows that this is not the case. This is the experience of a project providing a frontline service for minorities:

*We have had to reduce our casework files from 3,000 to 1,000. We can no longer provide our legal advocacy service and bring cases to the Labour Rights Commission, the Equality Tribunal or take social welfare appeals.*

Travellers have long been identified as the single group most at risk of poverty. In 2011, Travellers lost their visiting teacher service, resource teachers and school transport. This from a group working with Travellers:

*We lost seven visiting teachers in this city and county. Now there is no one to check on whether Traveller children are going to secondary school or not and give help when it's needed. The parents already miss the service.*

This example of funding problems came from one of the partnerships:

*We began a drop-in centre for people with mental health problems, but after nine months funding was no longer available. We re-opened it, but make a charge of €10 from the second and for every subsequent visit. But the people who need it most have the least money and once it is known that a service is charging, they will not come.*

In rural areas, services were consolidated, leaving the remoter places without a service, as this partnership reported:

*In rural areas, out offices were closed. Staff from the closed community development projects in rural areas were brought in to the county office.*

This is not just a rural issue, as this report from an urban project in Dublin illustrates.

*One community development worker has been reduced from full-time to half-time, cutting back our services in general and for older people in particular. Our office is not always manned now and our drop-in service has been affected.*

The pressures of reduced funding were reported from a number of projects against drugs:

*We are now offering part-time training instead of full-time training. Certification and progression rather than personal development. We are not offering as a good a service on an individual basis and try to work with groups rather than individuals.*

*We have reduced our pre-entry and aftercare work.*

*We now have a waiting list.*

*The funding now only covers the worker's salary and no programmes, yet we are still trying to deliver an effective service to 2,000 young people. This means we cannot respond to their ever-increasing needs, with 300% more presenting for help over the past three years.*

Even if services were kept open, the nature of what could be provided changed. This was reported from women's groups:

*Funding has been reduced 15%, narrowing the services available to those getting women off the live register but excluding those not on it.*

*Funding is focussed on 'job-ready initiatives' in a way that is dismissive of the hard work done in community education and lifelong learning. It is now very difficult to get funding for non-accredited courses, even though that is the place from where women have progressed to further study. Outlets to women are progressively diminished.*

Although government rhetoric has focussed on 'cutting administration and keeping front-line services', it is never quite that simple. Many reported a decline in the quality of their administrative work:

*Focussing on frontline services meant that administrative tasks were let go.*

*Managers are doing clinical work. Community work, administration and research suffer.*

The professionalism and the long-term quality of the services suffer:

*Our community development project working with Travellers lost 15% funding in three years. This meant no more travel and no more going to national meetings which are essential for us to do our job.*

*We're not attending the outside meetings important for our work any more.*

### **3.2.3 Staff reductions**

As this chapter has already reported, voluntary and community organisations have not been able to avoid dismissing staff. Here are two examples of the level of change in two small national organisations:

*Our core grant has fallen from €155,000 to €100,000. We used to have 13 staff, but we have already lost two and are making three redundant right now, bringing us down to eight.*

This was the experience of a frontline service covering the whole country:

*We lost our core grant and as a result had to make five redundancies. We have eight staff left.*

The cohesion process brought to an end of the work of the support agencies, once 18 in number, but some tried to survive:

*We used to have five full-time staff. Now we have two part-time, with three people available to do contract work if it comes in.*

Many organisations reported losing small numbers of staff - but for many organisations to lose one or two staff, the numbers add up. A small example of how voluntary organisations make savings, but contribute to the live register is this:

*The first thing we did was fire the cleaner. Now we clean our own offices.*

One partnership:

*We made our receptionist voluntarily redundant, replaced by a Jobs Initiative worker.*

Granted the vulnerability of Travellers as a community, one might have expected the authorities to have provided them with some level of protection from the worst effects of cuts, but this was not the case. One Traveller group:

*We lost four staff in the past two years - a policy worker, education worker and two from our mediation service.*

Reductions in small projects can have a disproportionate effect in the ability to provide a service.

*Our Traveller health project had five part-time staff. But when one left during the summer, the HSE prohibited a replacement.*

One of the Family Resource Centres summarised the predicament that many groups face:

*One of our workers is on two days a week - but you cannot do much family support or outreach to women on that. There is no programme money. Staff have taken pay cuts of 10% to 12%. All this makes it harder to keep motivated and this has a negative effect on all within the project.*

### **3.2.4 Changes in pay, terms, conditions**

Even when staff were not lost, changes in pay, terms and conditions have had a distinct impact on services. This is our first example:

*I was reduced from a 35hr working week to 28hr on 1st July. I had to reduce my service and cancel one girls' group and one-to-one special needs support. Administration has taken a back seat and reports and evaluations are delayed.*

This was a second one:

*The 10% reduction on 2009 budget figures resulted in a pro-rata salary reduction and the elimination of incremental salary scales. The merger with the Community Development Project meant a loss of one position, but increased pressure to maintain the 2009 level of services. We are required to deliver new services such as Tús - but from existing, decreasing resources.*

The closure of the Community Development Programme had a big impact:

*Four CDPs were closed in our area. No empowerment, no local voice. The clients have increased, but the numbers who can support them is down from 11 to 1. Now there is only one staff member responsible for managing, running and delivering a whole raft of programmes on less pay and longer hours. There was a whole change of working conditions and the agreement on working hours was broken. The centre is supposed to increase the number using the centre, which we did, but we then received an e-mail about the increase in the phone bill, telling us to reduce it!*

This was the experience of one partnership:

*We have avoided cutting services, but only at the cost of 3.5 voluntary redundancies. We cut back our administration to the bone, all our reserves are gone and we will have no cash on hand come 31st December. From 1st November, there was a 5% cross-the-board salary cut and we expect more on 1st January. Cuts from our funder are announced at short notice, which makes it difficult to work with our staff constructively without creating human resource issues or ending up in the labour court.*

Multi-tasking is a long-standing feature of the voluntary and community sector, as are long hours, but gaps in staffing mean that 'many of us are now working outside our grade level'. In one case, the manager resorted to double-jobbing to keep it open:

*We have managed to keep everything going - but by working longer hours than what we are paid for. I personally have taken on extra work and tutoring to bring in extra cash to cover the project's overheads.*



A particular problem for voluntary organisations is that they are not always in a position to make decisions, themselves, about how cuts are made. Such decisions are increasingly taken by the people who fund them, abrogating to themselves important management and supervisory decisions, a phenomenon called 'the shadow employer'. This experience was recorded:

*We the staff decided to make our required savings by taking two weeks unpaid leave during the summer [when services were least in demand]. Our shadow employer was furious on hearing this and told us we had to take a 10% pay cut instead.*

Another example of an intervention by a shadow employer came when rates for externally contracted staff were reduced by -31%. One partnership employed tutors at €65/hr, the top rate applicable for the most experienced:

*The top rate was suddenly reduced to €45 on a take-it-or-leave it basis. Two of or four tutors would not accept that and left. They had been exceptionally skilled in the way they engaged with clients. We had to replace them with less skilled tutors - and re-advertising the posts was a costly process too.*

Finally, the arrival of lower paid workers was in evidence in one partnership:

*When the Tús squad of four arrived this year, they were not allowed the same terms and conditions as existing partnership staff. No pensions. No increments. No performance-related rates.*

Another recorded how:

*New employees have to be offered lower rates, even if they have more experience and qualifications.*

### **3.3 Summary and conclusions**

This ground truth paints an egregious picture of the practical effects of the cutbacks in the voluntary and community sector. From these accounts, which range from the heartbreaking to the heroic, from the dispiriting to the perverse, it is possible to come to the following conclusions:

- Voluntary and community organisations leave to the very last the options of dismissing staff and reducing or closing services. They exhaust every other possibility before they do so, sometimes going to extreme lengths such as moonlighting to raise money for overheads;
- The cuts appear to have spared no portion of the voluntary and community sector, no matter the level of disadvantage with which it works, as the cuts affecting Traveller projects illustrate;
- The growing pressure on services is readily apparent, with their true scale only now coming to light. Organisations working with the unemployed have witnessed a doubling of the client numbers, with no additional resources provided. As a result, they are able to provide each client with less and less, contrary to 'activation' policies touted by government. In other areas, such as drugs and work with women, not only are there also increases in numbers, but the problems presented are ever more intense.

- Even though staff losses in some voluntary organisations are small in number (one or two), they are often in quite small organisations (with only three or four staff). The overall effects, multiplied across thousands of organisations, can be profound;
- Government rhetoric about protecting frontline services must be challenged on two fronts. First, it is quite apparent that valuable frontline services have already closed, ranging from casework to legal advocacy, with reductions in others, such as food for hungry children in afterschools. Others are overstretched to the point that the level of service is potentially so minimal as to be of little value. Second, it is apparent that the protection of front-line services to the exclusion of the other necessary functions of a project, such as administration, jeopardises the professionalism of the frontline in the first place.
- State services are exercising, as the shadow employer, a far from benign role on the ability of voluntary and community organisations to respond to the cuts as they see fit.



## 4 Prospective future changes

This chapter looks ahead to the likely impact of the IMF régime on the voluntary and community sector for the remainder of the period of the National recovery plan to 2015 (4.1) and then the likely impact of the Comprehensive Spending Review (CSR) (4.2). It does so in the context of other proposals in the policy environment, such as the McCarthy reports, the *Programme for government* and outstanding commitments in *Toward 2016* (4.3). Conclusions are drawn (4.4).

### 4.1 Impact of the IMF régime

The IMF agreement is subdivided between a *Memorandum of Understanding* (MOU), largely detailing financial measures and reporting systems and the broader, more detailed, accompanying *National recovery plan*. They are treated here together. They specified financial adjustments through spending cuts and revenue increases of an initial €6bn (2011) and €3.6bn (2012), with further measures to follow up to 2015. Following the 2012 budget, 2013 will see a further €1.1bn in tax increases and €2bn in cuts. Current government spending is projected to fall from €55.7bn in 2009 to €48bn in 2014 (-13.8%), which would be dramatically more than the reduction seen already (-2.82%).

Annexe 8 of the *National recovery plan* is the most specific part of the régime and based on that, table 11 indicates those spending reductions most likely to impact on voluntary and community organisations. Note that the departmental headings follow those of the outgoing government in 2011.

**Table 11: Spending reductions announced in the *National recovery plan* likely to impact on voluntary and community sector**

Vote	Amounts to be saved, 2011-14, full year savings
<u>Community Equality and Gaeltacht</u> 'Reduced programme allocations in community schemes' Reduced allocation across community development programmes Adjustment in support for community, voluntary sector, volunteering Savings in community-based drug projects Reduced funding for equality and integration projects Reduced funding for disability projects Reductions in other programmes, administration Total departmental savings Additional savings yet to be identified from grant programmes	€8.7m €0.4m €0.9m €0.6m €1.8m €27m €8m
<u>Department of Environment, Heritage and Local Government</u> Unspecified reductions in housing, local government, heritage, community Reduction in scheme of support, voluntary and community fora Total departmental savings	€62m €1.2m €91m
<u>Department of Foreign Affairs</u> Reduction in overseas development assistance	€35m
<u>Department of Health &amp; Children</u> Allocations to health agencies Total departmental savings	€36m €765m
<u>Department of Justice &amp; Law Reform</u> Probation service Total departmental savings Additional savings yet to be identified	€10m €230m €140m
<u>Tourism, culture &amp; sport</u> Reduced funding for sporting bodies and agencies Reduced allocations to cultural projects Total departmental savings Additional savings to be identified from sporting bodies, arts & cultural organisations	€5m €3m €26m €50m

These reductions include a mixture of both broad proposals and specific ones. In some departments (e.g. health), there is no evidence of an intended impact on the voluntary and community groups. In others, though, such an impact is explicitly indicated. The proposed savings in the Department of Community, Equality and Gaeltacht Affairs make it absolutely clear that funding for community schemes, the local and community development programme, drugs programme, disability projects and integration projects will be affected. The Tourism, Culture and Sport sections of the annexe clearly identify sports, culture and the arts for further cuts. The Department of the Environment, Heritage and Local Government is interesting insofar as it proposes to

reduce by €1.2m funding for community fora - but their budget is already down to €587,000. Although some of the reductions proposed are, under individual headings, quite small, that must be set in the context of budgets that are already much reduced. In some cases (table 12) we have sufficient detail to project ahead the likely level of funding reductions for individual programmes by 2014.

**Table 12: projected 2014 level of funding for individual programmes, based on figures given in *National recovery plan*.**

Heading	2011	Cut	2014
National voluntary organisations LCDP	€10m <del>€63.5m</del> €73.5m	- €8.7m	€64.8m
Drugs initiative	€33.8m	-€10m	€23.8m
Integration projects	€4.2m	- €0.9m	€3.3m
Sporting bodies	€46.9m	- €5m	€41.9m
Cultural bodies	€65.1m	- €3m	€62.1m

This is an illustrative list, indicating just how cuts will operate under different headings. They should represent the 'bottoming out' of the cuts, but with the rider that the plan stated that additional but unspecified cuts will still be sought. Comparing these figures with the 2008 budgets in tables 1-5, we get an idea of just how deep these cuts have been. The drugs budget, for example, was €44m in 2008 and by the end of the IMF régime will be only €23.m, down almost a half. Finally, what is also useful is to look at overall departmental votes under the IMF régime, because a selection thereof will give us a closer indication of the incidence of cuts (table 13). Such a table is doubly important, for it gives us an idea of the pecking order of departmental votes within the view of the Department of Finance. The table focusses on those departments most involved in funding voluntary and community organisations.

**Table 13: Proposed reduction in selected departmental votes, 2011-2014**

Department	2011	2014	% change
Community, Equality & Gaeltacht Affairs	€265m	€250m	- 5.6%
Environment, Heritage & Local Government	€599m	€370m	- 38.2%
Foreign Affairs (incl. overseas development aid)	€728m	€712m	- 2.2%
Health & Children	€14,094m	€13,674m	- 2.9%
Justice & Law Reform	€2,321	€1,960m	- 15.5%
Tourism, Culture & Sport	€296m	€234m	- 20.9%

Here, the department most affected is the Department of the Environment, Community and Local Government, -38.2% and one automatically surmises that the greatest reductions will fall on its highest field of spending, social housing. Tourism, Culture and Sport is next hardest hit, almost 21%, continuing the trend of disinvestment in sport, culture and the arts.

The final element to the picture is this. The MOU and the *National recovery plan* specified that the main burden of the cuts should fall on social welfare (€1.825bn), health (€1.445bn) and education (€690m). Social welfare cuts, focussed on both income reductions (e.g. child benefit) and conditionality, inevitably has the effect of driving people into the hand of charities for assistance, the very charities from whom government has already withdrawn funding.<sup>8</sup> Reduced spending in education is likely, focussed as it is on those most educationally disadvantaged (e.g. children with special needs, Travellers), to have the effect of requiring fresh interventions by voluntary and community organisations, but which may no longer be available.

## **4.2 Comprehensive Review of Expenditure**

A Comprehensive Review of Expenditure was a key commitment of the government elected in March, intended to provide a strategic oversight of spending and enable decisions to be made on a much improved medium and longer-term basis. In the event, it provided a menu for cuts superimposed on the *National recovery plan* outlined in the previous section. It proposes a series of savings for 2012, to be continued into 2013 and 2014. Those most relevant to the voluntary and community sector are:

In education, savings of €132m, which include reduced allowances for participants in Youthreach and Community Training Centres, both of which are important to community groups working with disadvantaged young people;

In foreign affairs, a reduction of €53m in development cooperation for unspecified organisations, with a reduction of €1.9m in support for voluntary and community organisations working for Irish people abroad;

In health, 'additional efficiencies' in disability, mental health and childcare services of €50m, many of which are delivered by voluntary and community organisations;

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<sup>8</sup> Duffy, Katherine: *Re-engaging hope and expectations*. Brussels, EAPN, 2011.

In Community Employment, a reduction of €35.9m through the reduction of the training and materials allowance by 66% (€1,500 to €500) and reduction in the back to education allowance to €300;

In Justice and Equality, €12m less funding for unspecified bodies supported by the department;

In transport, reductions of €2m in funding for the Sports Council; and €0.9m in the Rural Transport Initiative in the first year and €1m thereafter;

In children and youth affairs, specific reductions are indicated:

€1.6m in childcare through reduced subventions and higher contributions in 2012, with a further €3.7m in 2013;

€2.8m from PEIP anti-poverty initiatives (Tallaght, Darndale, Ballymun), youth cafés and Children's Services Committees in 2012, €0.8m in 2013 and €0.8m in 2014;

€4.4m from the longitudinal study on children *Growing up in Ireland*; €1.5m in 2013 and €1m in 2014;

An unspecified €3.5m from unidentified research and youth programmes, with a further €5.4m in 2013 and €3m in 2014;

€2m from the School Completion Programme, followed by savings of €1.8m in 2013 and €1.7m in 2014;

€2.3m from the Family Support Agency, mediation, counselling services, with a further €2.6m in 2013 and €2.3m in 2014.

Perhaps the most striking figure of the CRE is the sharp disinvestment in children and young people of school going age, for which no rationale is provided. It is doubly difficult to understand, considering the well-established and widely-accepted need to make a fresh start with child protection and welfare services, whose catastrophic level of under-development was widely recognized. Granted our rising levels of child poverty, the reduction in the state's flagship anti-poverty initiative, the Prevention and Early Intervention Programme (PEIP) is remarkable and much of this initiative was delivered by voluntary organisations. It is not clear whether the reduction of funding for the longitudinal study - our most valuable dataset on children ever collected - will lead to its early termination. The Children's Services Committees were touted by the state as a major initiative to address long-term shortcomings in the delivery of children's services, problems which we are not aware of having been overcome. The savings involved across these programme are small for the high level of damage imposed. It is not clear why the CRE should, of all the services provided by the state, single out children's services for such attention.



### 4.3 Other projected impacts

Although the IMF and the CSR are the principal policy determinants, others are also relevant, such as the two McCarthy reports and their sub-papers; the *Programme for Government*; and outstanding commitments in *Toward 2016*. Each is dealt with in turn.

The function of the first McCarthy report, *Report of the special review group on public service numbers and expenditure programmes* was to present a menu to government for consideration over 2009 and, indeed, several aspects therein were applied. For example, its recommendations to reduce spending were followed in many respects, for example in the case of sports, arts and CLAR. The government acted selectively on foot of its recommendations, exceeding proposed reductions in some cases (e.g. drug programmes), but less in the case of others (Local and Community Development Programme, RAPID). Its role has been largely superseded by the IMF agreement at this stage.

The first McCarthy report involved the commissioning of two sub-papers, *Cross-cutting activation measures* and *Local delivery measures*. These are useful to us, because they explain some of the thinking behind the main review. *Cross-cutting activation measures* proposed substantial reductions in spending on activation measures, especially in the area of training allowances. One of the largest schemes is Community Employment (CE), costing €357m, which provides over 20,000 places in voluntary and community organisations. Here, contrary to the European prioritization of activation measures as a response to unemployment, *Cross-cutting activation measures* proposed an unspecified reduction in numbers and allowances. Whilst the primary purpose of CE is training for the labour market and whilst questions may legitimately be asked about its effectiveness, the impact on the voluntary and community sector staffing was overlooked. *Local delivery measures* addressed the core of the community sector: Family Resource Centres, the partnerships, Community Training Centres (CTCs), County Childcare Committees, Citizen's Information Centres (CICs), the Money Advice and Budgeting Service (MABS) and volunteer centres, where it calculated that there were 870 organisations with employment of 7,150 at a cost of €280m. *Local delivery measures* proposed there be savings from transferring CTCs to the Vocational Education Committees (€15m); combining partnerships, volunteer centres and county childcare committees (€27.8m); merging the CICs and MABS (€6m) and competitive bidding where underperforming projects would be extinguished (€9m) (total save: €57.8m).

These issues have been taken forward by the report of the alignment steering group in the Department of the Environment, Community and Local Government. This specified that there should be a more coordinated approach which:

Should be based on an enhanced role for local government in planning, decision-making, oversight and, where appropriate, delivery of local development programmes within agreed structures (*Interim report of the local government/local development steering group*. Dublin, Department of the Environment, Community and Local Government, 2011, p19).

This coded statement leans toward the integration of the partnerships into local government and would likely bring to an end a distinct strand of independent local development of over 20 years standing. About 350 staff are estimated to be involved.

The first McCarthy report, combined with the two sub-papers, was clearly influential in the government decisions that followed. The view of community development therein was superficial, largely hostile and ignored abundant, internationally endorsed evidence of its impacts over forty years. The opinion expressed by the main report that funding cuts in voluntary organisations could be made good by donations and fresh volunteers demonstrated a basic lack of knowledge of how such organisations operate and function. There is no evidence that voluntary or community organisations were given any opportunity to contribute to this review. Between them, these reports exerted a distant but malign and destructive influence.

The second McCarthy report concerned the sale of state assets (*Report of the review group on state liabilities and assets*, 2011). This recommended the staged sale, over time, of assets worth €5bn in order to fund the IMF programme. Whilst a number of sales had relevance for social policy (e.g. An Post, Bord Gais), none had direct relevance for voluntary and community organisations. The proposed disposal of Dublin Bus, though, would create the need for an urban equivalent of the rural community-based bus services for low-income, 'unprofitable' routes.

The change of government in 2011 offered the prospect that the incidence of cuts imposed over 2008-10 might be ameliorated and a fresh start made. Here, although the *Programme for government* pledged support for the 'vital role' of the community and voluntary sector, this was belied by the figures presented in this report. Perhaps its most significant proposal is to abolish the Seanad, for this will remove the constitutional role of voluntary and social service organisations. The Seanad has been a channel used significantly by voluntary and community organisations to press for enlightened social change, so its abolition would eliminate that channel and reduce, by half, the accountability of government both in general and for the type of cuts chronicled here. The overall effect of the commitments in the programme will be to further reduce the voice of the voluntary and community sector.

*Toward 2016* is the oldest of the documents under consideration. Section 34.1 *Role of the community and voluntary sector* is a reminder of earlier commitments to the voluntary and community sector. In *Toward 2016*, the government expressed its commitment to deepening its partnership with the sector, upholding the principles of the white paper *Supporting voluntary activity* (2001) such as multi-annual funding, supporting volunteering and increased funding. The principal legislative commitment, a Charities Bill, has been met, but the full regulatory apparatus has not been put in place and there is little prospect that it will be. By way of implementation, the National Economic and Social Forum (since abolished) was identified as the principal body to monitor the programme's commitments in the area of social inclusion.

#### 4.4 Summary and conclusions

The IMF régime promises an intensification of the cuts already chronicled and measured in chapter 2. There will be continued substantial cuts in current spending, as well as a steady reduction in public service numbers. These changes will be compounded by the further reduction in the voice of the voluntary and community sector as a result of other political changes proposed in the *Programme for Government*. The detail of the IMF agreement is insufficient for us to be precise about the exact incidence of cuts over 2012-4, especially when a significant proportion is not yet specified. Substantial cuts are promised, for example, in the Department of the Environment (-38%) but not all of this is specified (table 12). Insofar as precise cuts are identified, they appear to fall on those areas that have been already hard hit over 2008-12 (table 9). In looking forward to 2015, which is intended to mark the bottoming out of the cuts, we can see how there will be further reductions in the funding for voluntary and community organisations, social housing, sports, culture and the arts (table 11). Initiatives against drugs are much the hardest hit, funding being at half the level of 2008. In the area of health, which is the largest funding area for voluntary and community organisations, the reduction proposed is small, -3%, but this does not tell us the incidence falling on voluntary and community organisations, so we must suspend judgement. A transparent system for identifying funding for voluntary and community organisations within the health budget would be helpful. A final, chilling comment, is that these are the projected cuts *assuming a speedy economic recovery* and are based on optimistic government assumptions which economic developments in Europe in 2011 make highly questionable, an issue to which we will return in the next chapter.

## 5 Conclusions

First, this paper comes to general conclusions (4.1). Second, in order to set the current crisis in a broader context, there is reference to domestic and international comparisons to see what implications may be extracted (4.2).

### 5.1 General conclusions

This report paints a picture of a continued contraction of the voluntary and community sector, one which had contracted by -15% by end 2010 and which is projected to contract by -35% by end 2013. These are contrasted with the overall fall in government funding to date of -2.82%. The cuts indicated that will follow to 2015 suggest that by the end of the IMF programme, we may be looking at a voluntary and community sector a third smaller than it was before the start of the crisis. This contraction is associated with an extinction of social policy agencies, a diminished public service, the removal of champions for both social policy and the voluntary and community sector within the policy cycle and a loss of voice for the voluntary and community sector within decision making, with the prospect of the removal of its constitutional role.

This study raises serious questions for government and policy makers as to why voluntary and community organisations have been singled out for such disproportionate cuts. The government did, after all, have the option of making across-the-board cuts in line with its own spending reduction (-2.82%). In search of an explanation, academic studies have always noted that the relationship between the Irish state and the voluntary and community sector has always been an uneasy one. There is strong evidence that not long after *Supporting voluntary activity* (2001), the government elected the following year began to reconfigure the relationship between the state and the voluntary sector, especially its independence. This was especially evident in the reining in of outspoken voluntary organisations at national level and, at local level, the cohesion process which curbed the independence of community development projects, paving their way to their eventual dissolution.<sup>9</sup> This was a process well under way before the cuts, but it is very difficult to avoid the conclusion that the state then took advantage of the financial crisis to conclude 'settling scores' with that part of society. Whatever the reason, it also shows just how far Ireland has moved from the European norm of valuing civil society.

The reduction in state agencies appears to have been made without any regards as to the consequences as to the ability of the state to deliver public services. Quality public services and quality voluntary and community services complement one another. Cutting both has disregarded, at some peril, a basic axiom of government which is that a modern, complex, democratic society requires complex, specialized and sophisticated mechanisms, generally in the form of state agencies, to deliver its services. Reducing such agencies and putting nothing in their place can lead to disaster in public administration and a host of other unintended, negative outcomes. The Irish public and civil service is not particularly large by European standards: quite the contrary, it is already at the lower end of the scale of proportionate size.<sup>10</sup> There is a real danger, with a continuation of these trends, that the Irish state will no longer be able to perform its basic functions and become an 'incompetent state'.

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<sup>9</sup> For a fuller exposition of the curbing of the independence of the voluntary and community sector, see *Ireland and civil society - reaching the limits of dissent* in Deiric O Broin & Peadar Kirby (Eds): *Power, dissent and democracy*. Dublin, A&A Farmer, 2009.

<sup>10</sup> Anthony King (ed): *Why is Britain becoming harder to govern?* BBC, 1976; Glassner, Vera: *The public sector in the crisis*. Brussels, European Trade Union Institute, 2010.

## 5.2 Comparisons and implications

In studying the effects of the financial crisis on social policy in general and the voluntary and community sector in particular, some domestic and foreign examples can be helpful.

Looking at domestic example first, the cuts associated with the so-called *Programme for national recovery* (1987) are our first comparator. Cutbacks then focussed on health and housing, leaving social welfare and education relatively untouched. Even though they were milder than those now under way, they did immense damage. They had enduring effects on the health services, creating many of the shortages that persist to the present day; and on housing, lifting waiting lists from 19,000 then to over 98,000 today. Both led to much increased pressure on voluntary and community organisations, who attempted to make good the deficits in public services.

Turning to international example, we have a picture of the impact of the financial crisis from a formal organ of the European Union, its Social Protection Committee.<sup>11</sup> It found, across the Union, increased pressure on both public and voluntary and community organisations in such areas social welfare systems and labour market services; emergency services, food banks, soup kitchens and shelter for the homeless; and increased pressure on health services arising from anxiety, depression and mental ill-health. This should have served as a warning to the Irish government, but it went unheeded.

The situation in Greece, which entered the IMF régime before Ireland, inevitably invites comparison. There, cutbacks drove the numbers below the poverty line upward by 1% a year. Because poorer people spend a higher proportion of their small incomes on the highest rate of VAT, this was the most regressive feature of Greek austerity measures, an important finding granted the similar recent increase in Ireland.<sup>12</sup> Even before the VAT increase, Irish poverty figures were already on the rise, the year 2009 marking a reversal of a decade-long downward trend. The Survey on Income and Living Conditions (EU-SILC), the Irish part of the standard annual European poverty survey, showed that the proportions below the poverty line rose from 14.1% in 2009 to 15.8% in 2010, a dramatic increase in only a year, a faster rate of increase than even Greece. The proportion of children in poverty rose from 18.6% to 19.5%. Contrary to government protestations that cuts be fair, the level of inequality rose from 29.3 to 33.9 over the same period.<sup>13</sup>

Finally, international experience suggests that recovery periods are always longer than predicted and that assumptions of domestic growth nearly always undershoot.<sup>14</sup> Modeling of crisis economies suggests that an adjustment period of ten years is more realistic.<sup>15</sup>

Alternatives, though are available, both in the short-term and long term. Social Justice Ireland, in *Adjustment choices - a fairer future is possible* (2011) indicated ways in which the impact might be altered in the short-term. In a longer perspective, proposals have been presented by Is Féidir Linn *A better Ireland is possible* and *Vision for an inclusive,*

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<sup>11</sup> Council of the European Union: *Updated joint assessment by the Social Protection Committee and the European Commission of the social impact of the economic crisis and of policy responses*. Brussels, author, 2011.

<sup>12</sup> Matsaganis, Manos & Oeventi, Chrysa: *Inequality, poverty and the crisis in Greece*. Brussels, European Trade Union Institute (ETUI), 2011.

<sup>13</sup> Inequality is measured by an index called the gini coefficient, in which 0 = all citizens have the same wealth and 100 = one person owns all the national wealth.

<sup>14</sup> Theodoropoulou, Theo & Watt, Andrew: *Withdrawal symptoms - an assessment of the austerity packages in Europe*. Brussels, ETUI, 2011.

<sup>15</sup> Mineev, Duhomir: *Crisis and exit - economic development during the great depression and post-socialist transformation*. Perspekiv, Sofia, 2002.

*equal, sustainable Ireland*; Claiming our future; TASC (*Recovery with equity*); and academics Mary Murphy & Peadar Kirby: *Toward a Second Republic* (2011). Similar proposals have been made in Europe, both to halt the impact of austerity packages on the poor, develop enlightened alternatives and to re-invigorate the European social model.<sup>16</sup> Ultimately, the foundations of the IMF package and the *National recovery plan* may be based on such insubstantial foundations that they will eventually unravel and force a fresh crisis in which such alternative approaches, hitherto marginalized, will come to the fore and in which the surviving elements of Irish civil society and the voluntary and community sector may play a crucial, reconstructive role.

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<sup>16</sup> Marinakou, Maria: *When the remedy kills the patient - reflections on the Greek crisis*. Presentation at Getting out of the crisis together conference. Brussels, EAPN, 2011.



# **Irish Congress of Trade Unions Community Sector Committee considerations**

The ICTU Committee identified the following implications arising from the analysis and agreed proposals for future action, as follows:

## **Implications for the community sector:**

- The evidence presented in relation to the period 2008-2012 established that there has been a continuous reduction and weakening of local community based services and infrastructure as a direct result of the significant cuts targeted at this sector. This has reduced and diluted the provision of essential services to the most vulnerable individuals and families in the most disadvantaged communities.
- The cuts imposed are disproportionate to reductions in other sectors, are seriously distorted within the sector and are significantly higher than the general adjustment in public finances. This suggests a lack of coherence on the part of Government and a failure to engage with organisations and workers in the sector to achieve realistic savings while protecting services and jobs.
- As a result of the haphazard approach the position of workers in the community sector has been significantly undermined through the imposition of arbitrary wage cuts, reduced working time, lay-offs and a serious weakening of working conditions. A strong and coordinated strategy and response by the trade unions representing the sector is urgently needed.
- Given the scale of the national economic crisis and the severe impact on socio-economic conditions at a community level as a result of mass long term unemployment and austerity the potential role and contribution of the community sector in the provision of appropriate and tailor-made responses has been effectively ignored by central Government. This represents an extremely short-sighted and fundamentally flawed public policy where local capacity to address the growing problems associated with extreme poverty and low income is being severely damaged by government policy.
- The positive role and contribution to public policy formation and social and economic innovation formerly occupied by the community sector has been downgraded and devalued in recent years despite inclusion in Programme for Government. This presents a barrier to ensuring the most effective and efficient use of public resources deployed through the community sector at a local and national level.

## **Proposals for collective action:**

1. Develop a coherent strategy for the organisation of the community sector that involves formal recognition for the sector, a mechanism to engage directly with government, improved methods to increase union membership and density within the sector that encourage active participation and the capacity to defend local community services and protect jobs.
2. Engage directly with government and relevant departments and agencies as a matter of urgency, through ICTU and individual Unions, to challenge the imposition of further austerity measures on local communities and to reduce the impact of budget reductions and cuts on community based services and jobs.
3. Pursue the full introduction of collective bargaining for the community sector aimed at securing rights and entitlements for workers in the sector through a



negotiated legislative framework in conjunction with the Community Employers and the Department of Public Expenditure and Reform and actively engage with the political system and national representative organisations, including employers, farmers and NGOs, to promote the interests of workers in the community sector and to enhance the role and contribution of the sector.

4. Promote trade union membership by introducing specific structures in the relevant trade unions to facilitate increased membership and to strengthen the identity and influence of the community sector within the trade union movement.
5. Seek to prioritize the protection and enhancement of the most vulnerable communities through specific designation of disadvantaged areas for increased investment through the development of social and economic policies by ICTU and its constituent unions.
6. Facilitate and promote the development of new social and economic programmes and initiatives for effective labour market intervention, improved social provision and community infrastructure.
7. Identify alternative sources of public investment to expand acute service provision and increase jobs through targeted funding within the sector.
8. Develop the role of the ICTU Community Sector Committee to provide leadership in the organisation of the sector, promote the interests of community sector workers within the trade union movement, produce appropriate policies for the development of the sector and facilitate and encourage inter-union engagement and negotiation on behalf of workers in the community sector.

## Terms of reference

The general terms of reference of this report are to consider:

- The context of employment in and services provided by voluntary and community organisations;
- The policy in place already affecting voluntary and community organisations before the financial collapse;
- Building on the 2010 report, the nature of changes to voluntary and community organisations that have taken place over 2008-2011 as a result of funding cuts and other changes, especially those changes since the early 2010 paper;
- Proposals by government for further changes, notably those outlined in the Programme for Government, the IMF agreement, the two McCarthy reports; Department of Finance papers, decisions announced elsewhere (e.g in the Oireachtas) and, due in November 2011, the Comprehensive Spending Review (CSR), or a similar plan due in its place.

The specific terms of reference are to consider:

- The distinctive impact on services provided by and employment in the voluntary and community sector if the CSR recommendations are implemented;
- The political implications of a diminished voluntary and community sector, including the loss of voice and representation for the clients and communities that they represent;
- Ground truth in such areas as childcare, programmes against drugs, Local Employment Service, young people, health, emergency housing, social services and community development;
- Outstanding commitments in *Toward 2016* still relevant;
- The consequences of the fallout of the crisis in such areas as unemployment supports, mental health and disadvantaged communities in greatest need, including the dangers of an 'incompetent' state ever less fit for purpose;
- The importance of common purpose and balance between public services and those provided by voluntary and community organisations;

and provide practical accessible research with handy-to-use statistics, stories and comparisons that will assist medium and long-term campaigns to win public support for the role of voluntary and community organisations and the staff that work therein.

The research will be done through examination of existing documentation on the voluntary and community sector (e.g. The Wheel, annual reports of organisations involved in social services e.g. Crosscare; the shadow employer report); ministerial announcements; the Oireachtas record; the estimates; Department of Finance papers; and economic commentaries. 'Ground truth' stories will be requested from individual officials and contacts in the trade unions concerned.



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